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VIA: E-MAIL

October 26, 2006

Mr. Hector Hernandez
Water Resources Control Engineer
Central Coast Water Board
895 Aerovista Place, Suite 101
San Luis Obispo, California 93401-7906

Subject: Response to Water Board's October 6, 2006 Letter: SLIC: 425 Tennant Ave, Morgan Hill; Termination of Replacement Water and Post Monitoring Requirements

Dear Mr. Briggs:

Olin Corporation (Olin) has received the October 6, 2006 letter prepared by the Central Coast Water Board (Water Board), carefully considered the issues, and provides herein our technical responses to certain sections and paragraphs of the Water Board's letter. Olin is evaluating other sections of the letter and, if necessary, will provide additional response to the Water Board by November 6, 2006.

Bottled Water Terminations, Phases 1 through 5

Olin submitted analytical results for 459 wells in Bottled Water Termination Phases 1 through 5. In the October 6th letter, the Water Board concurred that State Water Resources Control Board (State Board) criteria for termination of bottled water had been met for 419 of the 459 wells. Additionally, the Water Board acknowledged that subsequent sampling of the 40 remaining wells resulted in 31 achieving State Board criteria for bottled water termination. Bottled water has been terminated for these 450 wells.

Of the remaining 9 wells, the Water Board requested additional sampling at 4 wells and reinstatement of bottled water at the remaining 5 wells. The 4 additional samples have been collected as follows:

- Well 10S04E07M020: Sampled July 17, 2006
- Well 10S04E19A011: Sampled July 17, and September 11, 2006
- Well 10S04E20E003: Sampled July 17, September 11, and September 23, 2006.
- Well 10S04E33M006: Sampled July 19, September 11, and September 27, 2006.

Bottled water was reinstated on August 4, 2006 at wells 10S04E18B009, 10S04E18H011, and 10S04E20M002 and was reinstated for wells 10S04E18J005 and 10S04E20E002 on August 8, 2006.

As such, Olin has complied with the Water Board's request to collect additional samples at 4 wells and reinstated bottled water at the 5 wells.

Bottled Water Terminations Phase 6

Olin submitted analytical results for 49 wells in Bottled Water Termination Phase 6. The Water Board's letter concurred that State Board criteria for termination of bottled water had been met for 45 of the 49 wells. Bottled water has been terminated for these 45 wells.

The Water Board's letter also requested that bottled water be reinstated at the remaining 4 wells (10S04E07M020, 10S04E19A011, 10S04E20E003, and 10S04E33M006), i.e., the same four wells for which the Water Board requested additional sample collection from Phases 1-5 (above).

Olin reinstated bottled water at each of these wells on September 28, 2006.

Well Location Map

To aid in the Water Board's evaluation on bottled water termination, a map showing the location of each well meeting the State Board's criteria was requested. As requested, a map named "*RWQCB_BW_Termination_Wells.pdf*" has been placed on the Olin/MACTEC FTP site. (Instructions for accessing the specific FTP site are included with this e-mail.) The map shows the location of each well that met State Board criteria for bottled water termination in Phases 1 through 6.

Additional well location maps will be provided with each successive phase of bottled water termination.

Post Bottled Water Termination Monitoring

The Water Board also requested several databases to finalize and expedite review of the proposed monitoring schedule. As with the well location map, we have placed the following files on the Olin/MACTEC FTP site for Water Board review. Instructions to access the FTP site are included with this e-mail.

The Microsoft Access database named "*RWQCB_Olin_10182006_Proposed_Monitoring_Data.mdb*" contains the following tables:

- "*Mann_Kendall_Data_Phase_1_5*" – This data was used to run the Mann-Kendall analysis for Bottled Water Terminations Phases 1 through 5. It consists of the perchlorate results from 3Q05, 4Q05, 1Q06, 2Q06, plus 3Q06 data validated at the time the extract was assembled. The data includes the 283 wells from Phases 1 through 5 that did not have four consecutive quarters of data less than 4 micrograms per liter (ug/L). Data with four consecutive quarters less than 4 ug/L are irrelevant for Mann-Kendall analysis.
- "*Mann_Kendall_Data_Phase_6*" – This data was used to run the Mann-Kendall analysis for Bottled Water Terminations Phase 6. It consists of the perchlorate results from 4Q05, 1Q06, 2Q06, and 3Q06.
- "*RWQCB_All_Groundwater_Perchlorate_Data*" – This table contains 10,643 records and includes historical perchlorate results for onsite and offsite wells.

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In response to the Water Board's request contained in paragraph 2 of the October 6th letter, a Microsoft Excel spreadsheet named "*Phase_6_Mann_Kendall_Summary.xls*" is also included on the FTP site. The table presents a summary of the Mann-Kendall analysis for each well in Phase 6 that meets the State Board criteria for termination of bottled water. Mann-Kendall analysis of the 49 wells in Phase 6 was run on quarterly perchlorate results from 4Q05, 1Q06, 2Q06, and 3Q06.

Finally, additional responses are under consideration by Olin to address additional issues presented in the Post Bottled Water Termination Monitoring section, as well as the remaining sections of the Water Board letter (e.g., Confirmation Sampling, Split Sampling, and Reinstatement of Bottle Water Service). If necessary, Olin will provide any additional responses to the Water Board by November 6, 2006.

If there are any questions, please do not hesitate to call me.

Sincerely
OLIN CORPORATION

A handwritten signature in blue ink, appearing to read "Richard W. McClure", with a stylized flourish at the end.

Richard W. McClure, P.G., REM
Environmental Remediation Group

cc: Mr. Roger Briggs, Water Board
Mr. Eric Gobler, Water Board
Mr. Steven Newsom, MACTEC
Mr. Curt Richards, Olin
Mr. Donald Smallbeck, MACTEC
Ms. Thea Tryon, Water Board